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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.18.2009

Washington Post: "At Geithner's Treasury, Key Decisions on Hold ... Seven weeks after the Treasury Department announced that it was ousting General Motors chief G. Richard Wagoner Jr. in the federal bailout of the company, he is still technically on GM's payroll."

Washington Post: "Fannie, Freddie Slash Funding for Charities ... Fannie Mae and Freddie Mac reduced charitable giving by more than 40 percent from 2006 to 2008 and focused it more sharply on housing-related issues, leaving some local nonprofits without a major source of funding."

Washington Post: "Future Clues In the Fed's Look Backward ... Compared with some of its recent moves, the Federal Reserve's late April policymaking meeting was a snoozer. No interest rate cuts. (How could they, when rates are already basically at zero?) No new emergency lending programs announced. (They already have more than a dozen, which apparently is enough for now.) Not even an expansion of its previously announced purchases of government bonds."

Washington Post: "Board to Ban Accounting Practice That Helped Lending Proliferate ... The end is nearing for an accounting trick destined to be remembered as a hallmark of the housing boom, because it allowed financial firms to conceal a vast expansion in their lending from regulators and investors."

Washington Times, Rep. Neugebauer: "Banks better than expected ... Based on the reported results last week of the "stress tests" of our nation's largest financial institutions, the majority of banks are healthier than anticipated. Healthier banks are a good sign, but not all concerns about our financial system are eased."

Wall Street Journal: "A Private-Equity Bid Is Key for Bank Deals ... For the private-equity industry, the future of BankUnited Financial Corp. might be the most closely watched deal of the year."

Wall Street Journal: "A Reshaped Fed Is Likely to Gain Some Powers, Lose Others ... During its 96-year history, the Federal Reserve has seen a handful of moments that led elected politicians to reshape it. The Fed is at such a turning point now."

Wall Street Journal: "New Tax Proposals Target Life Insurers ... The Obama administration is seeking \$12.8 billion in new tax revenue from life insurers over the next decade, even as the federal government offers the struggling sector bailout funds."

Wall Street Journal, Editorial : "Derivatives and the Wisdom of Crowds ... In the early days of the credit crisis, some in Congress wanted to ban financial derivatives. Others wanted a Financial Product Safety Commission, modeled on the Consumer Product Safety Commission, with a bureaucracy to approve or recall financial instruments. The good news is that last week's administration proposals for how financial markets should operate are focused on better disclosure instead of micromanagement."

Wall Street Journal, Editorial: "What's Another \$108 Billion? ... Ah, transparency. Perhaps you've read that the new era of candor in government spending has arrived. Except, apparently, when it comes to the \$750 billion that the Obama Administration and other nations have agreed to provide the International Monetary Fund. In this case, it's all opacity all the time."

Financial Times: "US poised for finance regulation shake-up ... Congress will next month start the biggest regulatory overhaul of the US financial system in decades, bringing into the open a frantic lobbying effort between banks, regulators and policymakers on what it contains and who pays for it."

Financial Times: "Disclosure move aims to revive ABS market ... The European Central Bank is pushing for an increase in the amount of information that has to be disclosed about asset-backed securities as part of efforts to revive a market that has collapsed since the start of the credit crisis in August 2007."

Financial Times: "Smaller US banks need additional \$24bn ... Small and medium-sized US banks must raise some \$24bn to meet the capital standards set by the government in its stress tests of large institutions, research for the Financial Times shows."

USA Today: "Bernanke: Investor demand for TALF will grow ... Federal Reserve Chairman Ben Bernanke predicts investors' appetites will continue to grow for a government program aimed at sparking consumer and business lending."

USA Today: "GM shows signs that bankruptcy filing is coming ... The letters General Motors sent to 1,100 of its dealers telling them to close represent another strong sign the automaker will end up in Chapter 11 in two weeks, because GM has little clout to close dealerships unless it is in bankruptcy."

Los Angeles Times: "Fannie Mae and Freddie Mac's new rules are raising appraisal costs, critics say ... The rules, intended to improve the accuracy of home valuations, push most large lenders to use third-party appraisal management companies."